

USAID GRANT AGREEMENT NO. 497-018

FOURTH AMENDMENT

TO

STRATEGIC OBJECTIVE GRANT AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

AND

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

FOR

IMPROVED QUALITY OF DECENTRALIZED BASIC EDUCATION

IN

INDONESIA

Dated: AUGUST 22, 2008

Fourth Amendment dated **AUGUST 22, 2008** to the Strategic Objective Grant Agreement, dated August 30, 2004 between the Republic of Indonesia (the "Grantee") and the United States of America, acting through the United States Agency for International Development ("USAID") (collectively, the "Parties") for Improved Quality of Decentralized Basic Education in Indonesia.

SECTION 1. The Agreement, previously amended, is hereby further amended as follows:

A. Article 3, Contribution of the Parties, Section 3.1 (USAID Contribution) is amended as follows:

i. Section 3.1(a) is amended by deleting "Ninety Five Million Two Hundred Eighty Seven Thousand One Hundred Ten United States ("U.S.") Dollars (\$95,287,110)" and substituting "One Hundred Forty Three Million Nine Hundred Seventy Eight Thousand Four Hundred Eighty Eight United States ("U.S.") Dollars (\$143,978,488)" in lieu thereof.

ii. Section 3.1(b) is amended by deleting One Hundred Thirty Three Million U.S. Dollars (\$133,000,000) and substituting "One Hundred Forty Three Million Nine Hundred Seventy Eight Thousand Four Hundred Eighty Eight U.S. Dollars

(\$143,978,488)" in lieu thereof.

B. The following paragraph at Section E.4. (Coordination) of Annex 1,

Amplified Description is deleted in its entirety:

"USAID implementing partners may enter into working groups and memoranda of understanding with appropriate implementing GOI agencies, including local governments, to facilitate program implementation provided such actions do not contravene the terms and conditions of this Agreement [or] any contract, grant, cooperative agreement or other type of agreement entered into by USAID and its partners to implement this Objective. USAID and the Grantee acknowledge that such arrangements do not constitute a legally binding commitment on the Government of the Republic of Indonesia [or] the Government of the United States."

C. The Attachment (Illustrative Financial Plan) to Annex 1, Amplified

Description, is deleted in its entirety and the attached Attachment (Illustrative

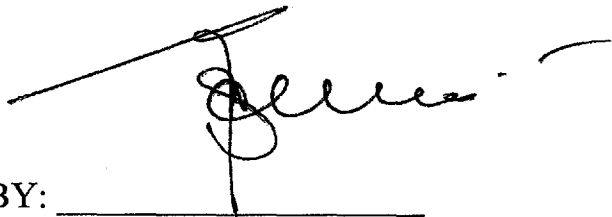
Financial Plan) to Annex 1, Amplified Description is substituted in lieu thereof.

SECTION 2. Except as specifically amended or modified herein, the Agreement shall remain in full force and effect in accordance with all of its terms.

SECTION 3. Effectiveness. This Fourth Amendment shall enter into force when signed by both Parties hereto.

IN WITNESS WHEREOF, the Republic of Indonesia and the United States of America, each acting through its respective duly authorized representatives, have caused this Fourth Amendment to be signed in their names and delivered as of the day and year first above written.

**FOR THE GOVERNMENT OF
THE REPUBLIC OF INDONESIA**



BY: _____
Prof. Fuad Abdul Hamied, Ph.D
Deputy Coordinating Minister for
Education, Religion and
Civil Service
Coordinating Ministry for People's
Welfare

**FOR THE GOVERNMENT OF
THE UNITED STATES OF
AMERICA**



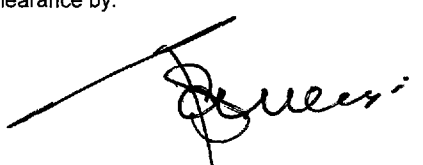
BY: _____
Walter North
Mission Director, Indonesia
United States Agency for
International Development

**ILLUSTRATIVE FINANCIAL PLAN
STRATEGIC OBJECTIVE GRANT AGREEMENT
FOR
IMPROVED QUALITY OF DECENTRALIZED BASIC EDUCATION**

Components	USAID				GOI
	Obligation To Date	FY 2008 Obligation	Total Obligation	Total Planned Contribution	Total Planned Contribution *
1. Program Implementation More Effective Decentralized Education Management and Governance Improved Quality of Teaching and Learning Increased Relevance of Junior Secondary School and Madrasah and Non-Formal Education to Work and Life Skills	91,512,110	46,884,400	138,396,510	138,396,510	
2. Administrative and Program Support Evaluation and Audit Staffing & Logistics for Administrative Support	3,775,000	1,806,978	5,581,978	5,581,978	
Total Strategic Objective Agreement	95,287,110	48,691,378	143,978,488	143,978,488	

* The GOI has agreed, pursuant to Section 3.2, to contribute not less than the equivalent of 25% of USAID's Total Planned Contribution. The GOI's contribution will be tracked through Implementation Letters.

Clearance by:



Prof. Fuad Abdul Hamied, Ph.D
Deputy Coordinating Minister for Education, Religion and Civil Service
Coordinating Ministry for People's Welfare